



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **THREE MEN PLEAD GUILTY TO MULTI-MILLION DOLLAR MORTGAGE FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that two Kansas City, Mo., men and a Lee's Summit, Mo., man pleaded guilty in federal court today to their roles in a scheme to defraud home buyers and mortgage lenders of more than \$6 million in a complex fraud scheme.

**Nathan J. Brinkle**, 30, and **Adam T. Kerr**, 34, both of Kansas City, and **Jonathan T. Jennings**, 33, of Lee's Summit, each waived his right to a grand jury and pleaded guilty before U.S. District Judge Scott O. Wright to a federal information that charges them with wire fraud and money laundering.

**Brinkle** and **Jennings**, doing business as Brighter Homes East, Inc., and JB Renovations, both Kansas City businesses, purchased and rehabilitated distressed properties for resale to investors. **Kerr** was a mortgage broker doing business as Platinum Mortgage II and later Pearl Mortgage in Kansas City, and he assisted the investors in obtaining mortgage loans.

According to Graves, investors were advised that once they took possession of the properties, all of the rehab work would be completed and Section 8 tenants would be allowed to occupy the homes, thereby generating cash flow for the investors. These investments were represented as no-money-down investments. To accomplish this, Graves said, the appraised values were inflated and on some occasions loan applications were prepared to falsely show the source of the down payment was the investor.

By pleading guilty today, Graves said, the defendants admitted that they prepared various loan applications and supporting documents for the purchasers, which contained material false and fraudulent representations and admissions, which they submitted to the lending institutions to insure that the loan applications would be approved. As a result of this scheme to defraud, Graves said, between May 23, 2001, and Aug. 30, 2002, the defendants made and submitted to

lending institutions 94 false and fraudulent loan applications charged in the information. The misrepresentations included: false installment payments information, falsified HUD-1 Settlement Statements, phony contracts for deeds, money provided at closing, and other pertinent information relied on by the lenders when making the loan.

As a result of the misrepresentations during this period, Graves said, various lenders made loans in an approximate total amount of \$6,388,150, which were funds sent by wire transfers and interstate commerce.

Additionally, on Oct. 19, 2001, **Brinkle, Jennings** and **Kerr** engaged in monetary transactions involving criminally derived property, through the deposits of checks payable to Platinum Mortgage II, drawn primarily on the accounts of Brighter Homes East, **Brinkle** and **Jennings**.

Under federal statutes, each of the defendants could be subject to a sentence of up to 30 years in federal prison without parole, plus a fine up to \$500,000 and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Mortgage Fraud Working Group, which includes the Federal Bureau of Investigation, the U.S. Department of Housing and Urban Development – Inspector General’s Office of Investigation and the Internal Revenue Service – Criminal Investigation. Assistance was also provided by the Freddie Mac Western Regional Office.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

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